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Chairman: Mr. VILCHEZ ASHER (Nicaragua)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

ORGANIZATION OF WORK

AGENDA ITEM 114: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued)

Implementation of procurement reform in the United Nations Secretariat

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

Unforeseen and extraordinary expenses

Special representatives, envoys and related positions

Activities of the Advisory Committee on Administrative and Budgetary Questions during the forty-ninth session of the General Assembly

Conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (continued)

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The meeting was called to order at 3.15 p.m.

ORGANIZATION OF WORK (A/C.5/50/1/Add.2)

1. The CHAIRMAN informed the members of the Committee that he intended, at the beginning of the second week of the first half of the resumed fiftieth session, to review the reports of the Secretary-General giving the programme budget implications of draft resolutions A/50/L.67 and L.68 concerning, respectively, the International Civilian Mission to Haiti (MICIVIH) and the United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala (MINUGUA).

2. He drew the Committee's attention to a letter from the President of the General Assembly (A/C.5/50/1/Add.2) informing the Committee that agenda item 167 (Financing of the United Nations Mission in Bosnia and Herzegovina), item 168 (Financing of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium) and item 169 (Financing of the United Nations Preventive Deployment Force) had been allocated to the Fifth Committee.

3. He suggested that the question of travel and related expenses should be taken up together with the consideration of the progress report of the Secretary-General giving proposals for possible savings, which, pursuant to General Assembly resolution 50/214, was due by 31 March.

4. Mrs. SHEAROUSE (United States of America) asked when the question of the administration of justice in the Secretariat would be considered.

5. Mr. ACAKPO-SATCHIVI (Secretary of the Committee) replied that the question was scheduled to be considered again in the second half of the resumed session, in May.

6. Ms. RODRIGUEZ (Cuba) recalled that the Committee had decided that the Sixth Committee should express its views beforehand on the legal aspects of the question.

7. The CHAIRMAN said that he took it the Committee wished to adopt the tentative programme of work, on the understanding that any adjustments that might be required would be made in the course of the first week of the session.

8. It was so decided.

AGENDA ITEM 114: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued)

Implementation of procurement reform in the United Nations Secretariat (A/50/7/Add.13; A/C.5/50/13/Rev.1)

9. Mr. SEVAN (Assistant Secretary-General for Conference and Support Services) recalled that the Secretary-General, in his report (A/C.5/49/67), had accepted most of the recommendations of the High-level Group of Procurement Experts. The

Secretariat was putting those recommendations into effect as quickly as it could, given the meagre resources available and the difficulties the Organization was undergoing. The task was complicated by the fact that it entailed a thoroughgoing re-examination of the procurement system of a very complex organization.

10. In its report (A/50/7/Add.13), the Advisory Committee recommended merging procurement services, particularly those of the Procurement and Transportation Division and the Department for Development Support and Management Services. Its proposals were judicious, but the Secretariat remained convinced that the reform under way at Headquarters must be completed before any reforms were instituted at non-Headquarters offices, missions and regional commissions. That said, some initiatives had already been taken along the lines of the integration being advocated. For instance, the Division and the Department were using the same supplier rosters, maintained by the Division. Furthermore, as of 1 April 1996, the Department would have access to the Division's procurement package and REALITY database, and especially the vendor roster; and thus all data relating to acquisitions by both bodies would be managed under the same system.

11. He took strong issue with the Advisory Committee's comment that the report of the Secretary-General provided only a limited update to issues reported in document A/C.5/49/67. He pointed out that annex II to document A/C.5/50/13/Rev.1 clearly indicated, in the case of each recommendation, the nature of the task to be accomplished and the target completion date. Of the 36 recommendations of the Group of Experts, 26 were in the process of implementation. Action had begun on some of them as early as 1995 and for others the target was August 1996. Only four recommendations had not been acted upon. Six others were still under study. The Advisory Committee's criticism was all the more unjustified in that the Secretary-General's report also contained detailed information on the new Procurement and Transportation Division.

12. With regard to the Secretary-General's proposed upgrading of the post of the Division Chief from the D-1 to the D-2 level, he greatly regretted that the Advisory Committee had decided to defer consideration of the matter yet again, even though the Secretariat's last report contained all the evaluation factors that the Advisory Committee and the Fifth Committee might need in order to take a decision. In view of the extent of the responsibilities attached to the post, and the concerns expressed by the Advisory Committee for expeditious action, it was indispensable to appoint immediately a person with extensive experience in logistics, procurement and contracting, to head the Division with the rank of Director. The success of the reforms undertaken depended upon it. Until a decision was taken, he himself would have to act as chief of the Division, even though he had other very heavy responsibilities.

13. Endorsing the Advisory Committee's comments in paragraph 8 of its report, he specified that steps would be taken to reinforce internal control mechanisms and clearly define responsibilities and lines of authority. In the course of the week, specific guidelines would be given in writing to each of the staff members concerned.

14. He noted with satisfaction that the Advisory Committee recommended maintenance of the current staffing levels of the Procurement and Transportation Division. Nevertheless he wished to emphasize that reform could only be carried out at the pace sought by Member States if the Division was provided with adequate resources. The Secretary-General intended to review requirements at the end of 1996 and to make the necessary adjustments. At present most of the posts within the Division were funded from the support account for peace-keeping operations, and staff contracts, after having been renewed monthly, were now being renewed from week to week. The contracts of some 20 staff would expire on 31 March. Such a precarious situation was harmful, and he trusted that review of the posts financed from the support account would lead to decisions that would assure staff greater job security.

15. He confirmed that, despite budgetary restrictions, he would seek to fill the post of Supplier Relations Officer, which would undoubtedly be necessary over the next three years, through redeployment. The Secretariat was engaged in drawing up the job description for the post, which must be filled as a matter of urgency since the Organization's relations with its suppliers were deteriorating. In the meantime he himself was dealing with dissatisfied suppliers. All the Division staff had received orders to establish clear and transparent relations with suppliers.

16. With respect to contract administration, it was for contract administrators to establish a follow-up mechanism enabling them to monitor contract compliance, for which they would remain responsible at every stage. The lifting of the restrictions whereby missions procured only within a limited geographical area had been decided on at the request of Member States. It was impossible, in the absence of any basis for comparison, to assess the cost-effectiveness of that measure.

17. Although, as acknowledged by the Secretary-General in his report, progress in the use of system contracts for the provision of goods and services had been slow, that was due to the lack of staff. The Secretariat had provided the Advisory Committee with a list of contracts awarded and of the goods that it was intended to procure by means of that procedure, and undertook to redouble its efforts in that regard. Further, the weaknesses noted by the Advisory Committee in paragraph 18 of its report were real, but strategic goals would be needed to remedy them, which implied personnel resources not available to the Division.

18. The abuse of the immediate operational requirement procedure was an ongoing problem that the revision of the procedures manual sought to resolve. He shared the concerns of the Advisory Committee and the Board of Auditors in that regard and assured them that every effort was being made to reduce to a strict minimum contracts awarded under those emergency procedures. The staff concerned had been instructed to submit to him and to the Committee on Contracts written justifications of requests for exceptions.

19. The registering and re-registering of suppliers had been slower and more difficult than anticipated. In that connection he regretted that the Advisory Committee had drawn hasty conclusions regarding the non-submission of the paper entitled "Policy on vendor database maintenance". In fact, provisional criteria for admission to the roster had been formulated and tested (financial stability

of the supplier, checking of references, background, etc.). A computerized registration form, with explanatory notes, was already in use. Of more than 6,000 suppliers contacted in October and November 1995, only 1,600 had responded as at 29 February 1996. That could be explained by delays in replying, which could amount to three months, and by the difficulties being experienced by the Organization in paying its suppliers on time. More than 500 new suppliers had asked to be admitted to the roster. As at 12 March, 400 forms had been sent. On 11 March the Secretariat had written to permanent missions inviting them to encourage suppliers from their countries to register. United Nations information centres would soon make available documentation on procurement and registration procedures. Lastly, the Secretariat was currently preparing a registration form that all interested United Nations organs could use.

20. The final aim was to establish a single roster of suppliers serving Headquarters, field offices and United Nations agencies and programmes. The establishment of the roster and the expected strengthening of the role of the Procurement and Transportation Division should help to discourage requisitioners from recommending suppliers. The Division was seeking to attract as many suppliers as it could on as wide a geographical basis as possible; the examples provided to the Advisory Committee illustrated that policy. In accordance with the recommendations of the Office of Internal Oversight Services and the Group of Experts, the Division was currently developing a computer-based supplier selection system.

21. He recognized the importance of training and the need to strengthen it. The Procurement and Transportation Division was continuing to define, with requisitioners, the general specifications of the most commonly procured items, so as to develop more specific and detailed invitations to bid and requests for proposals. Further, a catalogue of the most widely used items was being developed in the context of the Integrated Management Information System (IMIS). Those activities would take another three to six months and would be supported by the Department of Peace-keeping Operations.

22. The mandate and operating rules of the Headquarters Committee on Contracts were shortly to be defined and the question of its membership determined. The Committee was to take responsibility for its recommendations. He agreed with the Advisory Committee on the need to standardize the format of presentation of documentation and delivery schedules. The revised procedure for the presentation of documentation to the Committee on Contracts would shortly be applied; it would conform to the Organization's Financial Regulations and Rules, which would thus not need to be amended. The schedule for the presentation of documentation had been brought forward by 24 hours to 1 p.m. on Thursday for meetings held on the following Tuesday afternoon. The procedures for public bid openings would shortly be defined. He agreed with the Advisory Committee that the procedure for invitations to bid should remain public, but not that relating to requests for proposals, since they served as the basis for negotiations. The annual statistical report being prepared would not be as detailed as anticipated, since the statistical system was not yet sufficiently developed.

23. He noted that the Procurement and Transportation Division was submerged by reports from other monitoring bodies (it had received 29 lengthy reports in January and February) to which it was obliged to reply, sometimes within 24

hours. That state of affairs could only worsen the situation of the Division, which was expected to perform an immense task with woefully inadequate resources.

24. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the observations and recommendations of the Advisory Committee were the result of lengthy discussions in the Committee and consultation with the representatives of the Secretary-General, in particular the Assistance Secretary-General for Conference and Support Services. They were intended to be constructive and could not be deemed in any way obstructive of the efforts that had been undertaken. He was aware of the difficulties that the Secretariat was facing and welcomed the progress that had been made, in particular the action taken by the Assistant Secretary-General. He drew attention to the Advisory Committee's recommendation that the Secretary-General should submit to the General Assembly at its fiftieth-first session a full implementation report on procurement reform (para. 5). The Committee also recommended that the Secretary-General should include detailed information on procurement in the annual report he intended to submit on the activities of the Procurement and Transportation Division (para. 30). The Fifth Committee might wish to concur with the Advisory Committee's conclusions and recommendations.

25. Mr. FERRARIN (Italy), speaking on behalf of the European Union, said that the European Union welcomed the action taken for the implementation of procurement reform in the Secretariat and encouraged the Secretary-General to continue his efforts in order to establish an efficient, responsive and transparent system.

26. Although the Secretary-General had accepted most of the recommendations made by the High-level Group of Experts on Procurement, whose report reviewed all procurement activities, his own report covered only the initiatives taken in the Department of Administration and Management. All procurement activities must be reviewed in order to unify the procurement function under the responsibility of that Department. Furthermore, greater coordination was needed between the procurement units in the Secretariat and other United Nations procurement offices.

27. As recommended by the Advisory Committee, the Secretary-General should submit to the General Assembly, at its fifty-first session, a comprehensive report on procurement reform, taking into account the comments by the Board of Auditors and indicating proposals for changes in the relevant provisions, particularly financial regulations 110.17 and 110.19.

28. The newly established Procurement and Transportation Division should be headed by a qualified and experienced Director, as proposed by the Secretary-General. The European Union welcomed the initiatives for implementing a training programme for procurement personnel as well as a system for the rotation of procurement officers between Headquarters and the field. The training programmes could be further strengthened.

29. The European Union supported the creation of the post of full-time Chairman of the Committee on Contracts and the recommendation that the Office of Internal

Oversight Services should no longer be represented by an observer in the meetings of that Committee.

30. Procurement planning in the requisitioning units was still very poor. The number of requests for exceptions under financial rule 110.19 was still too high. Exceptions from competitive bidding should be allowed only if they were truly justified and must be properly documented not only at the time of the request but also during the operation. The Department of Peace-keeping Operations still resorted much too frequently to the immediate operational requirement procedure. The European Union sought more information on the delegation of procurement authority to peace-keeping operations and on the new procedures to enable timely procurement of essential goods and services.

31. With regard to the development of a new supplier roster, the European Union welcomed the steps taken for a wider geographical registration of suppliers, but felt that progress was too slow and that the criteria for admission to the supplier roster and approval and removal procedures were still not clear.

32. In order to facilitate more open access to procurement information, all possible means of communication should be used; to reduce costs, the Secretariat should make greater use of the facilities offered by the Department of Public Information. It could also make greater use of publications financed by subscriptions from potential suppliers, as was done in other organizations. The use of electronic technologies should also be encouraged since it would facilitate the establishment of an efficient inventory system and property control.

33. The European Union requested the Secretary-General to provide periodic comprehensive statistics on procurement.

34. Mr. SOAL (South Africa) said that he wished to take up three issues to which insufficient attention had been paid and on which his delegation was interested in receiving a response from the Secretariat.

35. First, forward planning should be enhanced, especially in respect of peace-keeping operations. To that end, there must be close coordination between the Department of Peace-keeping Operations and the Procurement and Transportation Division. Through improved planning, procurement services would be more efficient and it would be possible to further reduce the number of exceptions made to the rules in force. The implementation of a comprehensive asset management system would be facilitated.

36. Second, the system could not function effectively with a multiplicity of vendor databases. The rosters at field missions and at Headquarters should be integrated so that a supplier registered at Headquarters would automatically be registered with the field missions (the reverse would not necessarily be true since local suppliers did not always have the necessary global reach). Moreover, the criteria for admission, approval and removal of suppliers from the Headquarters and field mission rosters should be unified; that would enable the Organization to secure the best prices and ensure equitable treatment for suppliers.

37. Third, the General Assembly should consider immediately integrating the procurement function of the Department for Development Support and Management Services into the new Procurement and Transportation Division. Coordination with the United Nations Office for Project Services and the Inter-Agency Procurement Services Office should be strengthened. At a later stage, the General Assembly should consider integrating all procurement into a single division, the Purchase and Transportation Division. In the meantime, the Division should be headed by a D-2 officer, so that the current D-1 post should be upgraded.

38. The role of the Committee on Contracts should be strengthened; the Committee on Contracts should not only advise on whether or not the correct rules and procedures had been followed but also adjudicate on contracts. In that case, the Office of Internal Oversight Services should no longer be represented at its meetings. In any case, his delegation wished to know under what aspect of its mandate the Office was currently participating in the work of the work of the Committee on Contracts.

39. It was not clear what exactly the Advisory Committee meant by the "internal control mechanisms" referred to in paragraphs 7 and 8 of its report. His delegation hoped that they were financial control and audit procedures and not traditional pyramidic staff structures. The commodity-based cluster system was effective; adding to the hierarchy would only reduce efficiency.

40. Mr. GOKHALE (India) said that it was necessary to build upon the reforms initiated and to integrate the procurement activities of the Department of Development Support and Management Services, the Department of Peace-keeping Operations and other areas of the Department of Administration and Management. As the representative of Italy had stated, the aim should be to group all procurement services under the authority of the Department of Administration and Management. The Secretary-General should give priority to conducting such a review so that the General Assembly could take a decision on the matter at its fifty-first session. The system of procurement in peace-keeping operations should also be reviewed.

41. Maintenance of the current staffing levels of the Procurement and Transportation Division was essential for the continuation of the reform process. With respect to the upgrading to the D-2 level of the current D-1 post, however, he agreed with the Advisory Committee's recommendation that the proposal should be examined in the context of the comprehensive report on procurement reform which the Secretary-General was due to submit to the fifty-first session.

42. He welcomed the positive moves towards the reform of the Committee on Contracts. The Secretariat should continue its efforts to ensure that arbitrariness in the submission and awarding of contracts was minimized. Procurement planning, particularly in the area of peace-keeping operations, should also be improved. In that regard, the cooperation of the Department of Peace-keeping Operations was of the utmost importance.

43. There were two areas which his delegation continued to view with concern: firstly, despite the assurances given over the previous few months, little

progress had been made in formulating a policy on the vendor database or in developing a totally revised supplier roster based on transparent criteria. The Secretariat should submit a detailed report on that subject. Secondly, the United Nations lacked an adequate inventory and asset management system. A high priority should be accorded to the review of that situation and the Secretary-General should submit a progress report to the fifty-first session of the General Assembly.

44. Mr. DEINEKO (Russian Federation) said that his delegation generally supported the Advisory Committee's recommendations. Given the importance of the matter for the proper functioning of the Organization, it was unfortunate that the Secretary-General's report dealt only with the activities of the Department of Administration and Management. In his report to be submitted to the fifty-first session, the Secretary-General should also deal with the procurement activities of the Department of Peace-keeping Operations, the Department of Development Support and Management Services, and the Office for Project Support Services, based on the various recommendations which he had received.

45. The Secretariat appeared to have focused so far on formal reforms, instead of adopting more substantive measures in areas such as the advertisement of invitations to tender and the award of contracts, procurement planning and the stipulation of terms and conditions, the abusive use of IOR requests, the development and renewal of supplier rosters, the Organization's inventory and asset management system, and so on.

46. Questions remained about the internal control mechanisms and responsibilities within the new Procurement and Transportation Division, as indicated in paragraph 8 of the Advisory Committee's report. Moreover, in the light of paragraph 15 of the Secretary-General's report, which stated that the staff in the Commodity Procurement Section were responsible for each transaction from start to finish, the question of the role played by the Support Services Section might be raised. For its part, the Transportation Division was not mentioned in the report. The relationship between the various sections of the Division should be clarified so that the Committee might arrive at a more informed decision on the upgrading of the D-1 post to the D-2 level. It would also be useful for the Secretariat to indicate how the restructuring had improved the effectiveness of the Commodity Procurement Section and provide detailed figures on the first two months of the Division's operations.

47. Mr. AMARI (Tunisia) said that he firmly believed that the procurement system should be both competitive and transparent and should cover all of the Organization's procurement activities, including those of peace-keeping operations. Also, all relevant information, particularly on invitations to tender, must be made available to all Member States. Suppliers must be selected on the basis of equitable geographical representation. With regard to the evaluation of compliance with the terms and conditions of contracts, the system of internal control must be strengthened and the list of suppliers in the roster periodically reviewed. Lastly, despite its financial difficulties, the United Nations still enjoyed full credibility in the eyes of many suppliers.

48. Mr. TOYA (Japan) said that his delegation was pleased with the action taken to implement the reforms recommended by the Group of Experts and believed that

precise target dates should be set for their completion. It was also appropriate to carry out a comprehensive review of the procurement activities of all the departments concerned with a view to merging them or ensuring effective coordination, thereby achieving savings. In keeping with the Advisory Committee's recommendation in paragraph 5 of its report, the Secretary-General should submit a full implementation report on the subject no later than 1 October 1996. In the meantime, implementation of the reforms should continue, particularly the possible amendments to the Financial and Staff Regulations and Rules. His delegation would welcome more information on the progress made in that area.

49. The new structure of the Procurement and Transportation Division would help to improve the procurement process. Current staffing levels should be maintained, as the Advisory Committee had recommended, although his delegation found it rather difficult to understand the logic behind the Advisory Committee's conclusion (see paras. 9 and 10). The analysis should be based on the absolute level of workload and not on comparisons between the same kind of activities. The delegation of Japan would like to hear the Secretariat's views on that subject. Given the importance of the role to be played by the Division Chief, favourable consideration should be given to the request to upgrade the current D-1 post to the D-2 level if satisfactory progress was made towards reform.

50. His delegation agreed with the Advisory Committee's recommendation, in paragraph 20 of its report, that a full inventory system should be established and that the Secretary-General should report on the steps taken in that regard in his forthcoming report. His delegation also concurred with the Advisory Committee's recommendation, in paragraph 23, that requisitioning units should document in writing their requests for seeking exception to the normal procurement procedures.

51. Personnel training was of critical importance and the efforts made to strengthen training should be continued. However, the actions mentioned in paragraph 21 of the Secretary-General's report, such as visits to trade shows and exhibitions, were of doubtful usefulness, given the complexity of the market knowledge to be acquired.

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

Unforeseen and extraordinary expenses (A/50/7/Add.14; A/C.5/50/30)

52. Mr. TAKASU (Controller) emphasized that the proposals contained in the report of the Secretary-General (A/C.5/50/30) were not intended to change the procedures governing the financing of unforeseen and extraordinary expenses, but rather the aim was simply to increase the annual limit of $5 million established by General Assembly resolutions 48/229 and 50/217.

53. The three categories of activities covered by those resolutions were presented in table 1 of the report. Category A consisted of activities that the Secretary-General certified as related to peace and security (good offices, peacemaking and preventive diplomacy). Category B consisted of activities in

response to decisions of the Security Council, other than peace-keeping operations (international tribunals). Category C consisted of expenditure which the Secretary-General had to incur immediately in the start-up phase of peace-keeping operations, pending preparation of cost estimates for the approval of the Advisory Committee.

54. The Secretary-General was requesting that the limit for expenditure under categories A and B should be increased from $5 million to $7 million. There had, in particular, been a significant increase in recent years in activities under category A. In the "Supplement to an Agenda for Peace", the Secretary-General had already drawn the attention of Member States to the problems encountered in that respect. The establishment of political offices after the completion of peace-keeping operations had also contributed to the need for increased resources. The commitments made under paragraph 1 (a) of the relevant resolution had amounted to $4.7 million by mid-November 1994 and had reached $5 million in October 1995. Once the ceiling was reached, the Secretary-General was unable, even in emergencies, to take necessary action until the concurrence of the Advisory Committee was obtained. In making its request, the Secretariat was fully aware that only unforeseen and ad hoc activities could be financed under the mechanism in question.

55. Concerning expenditure incurred in the start-up phase of peace-keeping operations (category C), General Assembly resolution 49/233 included measures to facilitate their financing. It had not, however, taken account of the fact that several weeks could pass between the decision by the Security Council to establish an operation and the time at which the Secretary-General was able to present detailed cost estimates to the Advisory Committee. Since the authority given to the Secretary-General under paragraph 1 (a) of the resolution on unforeseen and extraordinary expenses was fully taken up by expenditure under category A, the Secretary-General was requesting the General Assembly to authorize him to incur additional expenditure of $3 million in any one year, to enable him to finance the expenditure involved in the start-up activities of peace-keeping operations prior to authorization from the Advisory Committee. He (the Controller) emphasized that the matter was entirely unconnected with the total level of peace-keeping expenditure.

56. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report (A/50/7/Add.14), said that the Committee was recommending that the commitment authority of the Secretary-General in respect of unforeseen and extraordinary expenses should be maintained at $5 million, for the reasons set out in paragraphs 6 and 7 of its report. Firstly, the expenses connected with peace-keeping operations, which had increased substantially between 1990 and 1994, were declining and were expected to be around $1.5 billion in 1996 (para. 6). Secondly, the Advisory Committee met three times a year and could be contacted at any time through its Chairman. He pointed out that not three bienniums had gone by since the relevant commitment authority had last been increased. Finally, the Advisory Committee believed that better planning would help to solve the problem resulting from the time lag between a decision by the Security Council and the time when the Secretariat was able to submit the related estimates of expenditure.

57. In paragraph 7 of its report, the Advisory Committee was also recommending that commitments incurred under paragraph 1 (a) of the resolution on unforeseen and extraordinary expenditures should automatically be restored after the Advisory Committee and the General Assembly had been able to take action, on the basis of the relevant reports, on commitments already incurred under that paragraph. That procedure would allow the Secretary-General to incur more than $5 million in expenses in any given year.

58. Ms. PEGGEAULT (United States of America) said that the $5 million authority given to the Secretary-General could be considered as a cash advance to enable him to meet urgent requirements, and must be replenished within approved limits. Her delegation noted with concern, as had the Advisory Committee, that the resolution on unforeseen and extraordinary expenses had sometimes been used for the financing of continuing activities. There was a need for a clearer definition of what was meant by unforeseen and extraordinary expenses. She supported the recommendation of the Advisory Committee concerning expenditure incurred in the start-up phase of peace-keeping operations.

59. Her delegation opposed the continuance of the provision authorizing the President of the International Court of Justice to enter into commitments in respect of unforeseen and extraordinary expenses. The amounts provided for under that heading in resolution 50/217 should be included in the relevant section of the budget.

Special representatives, envoys and related positions (A/50/7/Add.2; A/C.5/49/50)

60. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management), recalling the main provisions of resolution 49/259, said that the number of persons occupying functions under that resolution had been reduced from 48 in September 1995 to a total of 40 for the three categories defined in paragraph 5 of the report of the Secretary-General (A/C.5/49/50). For the first category, there were currently 20 such positions (6 Under-Secretaries-General, 13 Assistant Secretaries-General and 1 Director). There were 14 in the second category (10 Assistant Secretaries-General and 4 Directors) and 6 in the third category (all with the rank of Under-Secretary-General). The Secretariat was currently preparing an administrative instruction governing the status and conditions of employment of persons appointed on a "when actually employed" basis.

61. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report (A/50/7/Add.2), said that since the report had been prepared, the number of special representatives, envoys and other high-level appointees had declined from 48 to 40.

62. He drew attention to paragraph 12 of the Committee's report, in which it emphasized that the resolution on unforeseen and extraordinary expenses was not intended to cover the establishment of posts on a continuing basis.

63. The question of the use of appropriations approved for general temporary assistance (paras. 17 and 18) had also been dealt with by the Advisory Committee

in its report on the proposed programme budget for the biennium 1996-1997 (A/50/7), in particular in paragraphs 68 and 82. The guidelines governing the use of such funds should be reviewed and any laxness in applying the rules should be avoided.

Activities of the Advisory Committee on Administrative and Budgetary Questions during the forty-ninth session of the General Assembly (A/50/489)

64. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that document A/50/489 covered the activities of the Advisory Committee from September 1994 to July 1995. Paragraphs 4 to 61 contained information on the venues of its sessions, its reports to various funds and programmes and the report it had submitted on the Board of Auditors. Annex I contained a list of published reports to the General Assembly and annex II a list of letters to the Secretary-General.

65. The CHAIRMAN said he took it that the Committee wished to recommend to the General Assembly that it should take note of the report of the Advisory Committee on Administrative and Budgetary Questions on its activities during the forty-ninth session.

66. It was so decided.

Conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly: full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (continued) (A/C.5/50/12 and A/C.5/50/55)

67. The CHAIRMAN recalled that, during the first part of its fiftieth session, the General Assembly, in section VI of its resolution 50/216, had taken note of the report of the Secretary-General on the conditions of service and compensation for officials, other than Secretariat officials, serving the General Assembly, namely, the full-time members of the International Civil Service Commission and the Chairman of the Advisory Committee on Administrative and Budgetary Questions (A/C.5/50/12). It had also requested the Advisory Committee on Administrative and Budgetary Questions to report thereon at the first part of its resumed fiftieth session, in accordance with established procedures. With regard to that request, he drew attention to document A/C.5/50/55, containing an exchange of letters between the Chairman of the Fifth Committee and the Chairman of the Advisory Committee.

68. Mr. BIRENBAUM (United States of America) said that, during the discussion of the question in the Fifth Committee, his delegation had been among those wishing to have the opinion of the Advisory Committee on the proposals made by the Secretary-General in his report. He regretted that the letter of the Advisory Committee did not contain comments on the substance of the question. The argument used by ACABQ to justify its silence was not very convincing, as there was very little likelihood of a conflict of interest actually arising. He therefore requested that the question should be referred to the Advisory Committee so that it could advise the Fifth Committee, as was the usual practice in such matters.

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69. Mr. HANSON (Canada) said that his delegation found document A/C.5/50/55 puzzling. The scruples expressed by Advisory Committee members were a credit to them, but since a conflict of interest was only apparent or potential, he again requested them to give their opinion.

70. Mr. OWADE (Kenya), supported by Mr. ODAGA-JALOMAYO (Uganda), Ms. RODRIGUEZ (Cuba), Mr. FATTAH (Egypt), Mr. ZHANG Wanhai (China), Mr. MOKTEFI (Algeria) and Mr. FAGUNDES (Brazil), recalled that, when the Fifth Committee had examined that item at the end of 1995, many delegations, including his own, had felt that the Fifth Committee was competent to consider the matter directly. There was an evident conflict of interest, and the Advisory Committee had taken a clear-cut position by recommending that the General Assembly should deal with the matter directly.

71. Mr. TOYA (Japan) said that, while he recognized the potential for a conflict of interest, the Advisory Committee should nevertheless make an effort to give an opinion.

72. Mr. GOKHALE (India), supported by Mrs. EMERSON (Portugal), recalled that in 1986, it had been decided that a method based on the principle of income replacement should be adopted to determine pensionable remuneration for Professional staff. Subsequently, in its resolution 46/192, the General Assembly had recommended that the method based on income replacement should be applied to all officials appointed or elected to ungraded posts. Members of the Advisory Committee and the Chairman and Vice-Chairmen of the International Civil Service Commission were in that category. In the view of his delegation, nothing in resolution 46/192, or in any other subsequent General Assembly resolution, excluded the three ungraded officials under consideration from the application of paragraphs 3 and 4 of section III of resolution 46/192. Consequently, it hoped that the Secretariat could explain why it had requested the General Assembly to reconsider the question.

73. Mr. WALTON (Office of Human Resources Management) said that, when that item had been introduced in the Fifth Committee on 17 December 1995, he had stated that there had been two General Assembly resolutions on the matter and, in the view of the Secretary-General, one replaced the other. General Assembly resolution 45/242 dealt with the question of the determination of pensionable remuneration and pensions of ungraded officials. The representative of India had rightly noted that resolution 46/192 had introduced a new element by recommending that pensionable remuneration for ungraded officials should be determined in accordance with the income-replacement method. In paragraph 17 of document A/C.5/50/12, the Secretary-General noted the two approaches which could be used to establish the pensionable remuneration of those officials and recommended that the methodology set out in resolution 46/192 should be retained. Such pensionable remuneration would, therefore, be adjusted at the same time and by the same percentage as compensation.

74. Mr. GOKHALE (India) noted that the General Assembly had referred to its resolution 45/242 in the preamble of resolution 46/192. His delegation, therefore, understood that the second resolution supplemented or replaced the first. Thus, he saw no reason to refer the matter to the General Assembly.

75. Mr. AMARI (Tunisia) agreed with the representative of India that there was no reason to refer the matter before the Committee.

76. The CHAIRMAN, taking note of the comments of India and the Secretariat's reply, suggested that the Committee should suspend its consideration of the matter.

The meeting rose at 5.40 p.m.